



**Robert Moreno Insurance Services  
Specialty Lines General Agent  
[www.rmismga.com](http://www.rmismga.com)**

## STERLING CLASSIC PROGRAM

Underwritten by: Sterling Casualty Insurance Company

**Effective January 1, 2012**

Toll Free Number for reporting claims direct to SCIC: (800) 272-3922

**Main Office Phone Numbers** – (714) 738-1383 or (213) 383-5590

Customer Service:	<a href="mailto:customerservice@rmismga.com">customerservice@rmismga.com</a>	Fax: (714) 992-2094
Underwriting:	<a href="mailto:underwriting@rmismga.com">underwriting@rmismga.com</a>	Fax: (714) 992-2094
Marketing:	<a href="mailto:marketing@rmismga.com">marketing@rmismga.com</a>	Fax: (714) 992-1069
Website:	<a href="http://www.rmismga.com">www.rmismga.com</a>	

**P.O. Box 5185 Fullerton, CA 92838**

# **Sterling Casualty Insurance Company**

## **Underwriting Manual**

### **Contact Us**

Phone:	(714) 738-1383 or (213) 383-5590
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Customer Service Fax:	(714) 992-2094
Underwriting Fax:	(714) 992-2094
Claims Phone:	(800) 272-3922

### **RMIS Web Site**

Make RMIS' web site your central access point to conduct business with us. Through our website, you can download the latest underwriting manual, see the latest news for RMIS, and access your Producer Portal. Once there, you can tend to your clients' needs. The Producer Portal is always on for 24-hour, 7 days a week access.

### **Applications**

Please submit all new business on the RMIS/Sterling Casualty Insurance Company application via FSC and our eApp or manual applications provided to your brokerage. Incomplete or unsigned applications will be returned unbound. To assure all applications are processed promptly and correctly, be sure to include the following information:

1. Complete Vehicle Identification Numbers (VIN numbers),
2. All drivers and a copy of their drivers licenses,
3. All household members 14 years of age or older, regardless if they are licensed to drive or not,
4. Motor Vehicle Record for all drivers,
5. Correct limits and coverage,
6. Signed waivers and exclusions as required,
7. Prior loss history information including documentation of non-fault or property damage only or comparative fault for any accident declared as such. Please see "Chargeable Accidents" on page 14 for the acceptable documentation on loss history.
8. Supporting documentation as required for rated discounts,
9. A copy of the current valid registration on all vehicles, or purchase contract if bought within the last 10 days,
10. All required photographs, see "Photograph Requirements" on page 3,
11. Sales Representative's and Insured's signature (applicants under 18 years of age must also have parent's or legal guardian's signature). **WE DO NOT ACCEPT BROKER POWER-OF-ATTORNEY SIGNATURES.**
12. The payment plan and proper payment,
13. A copy of the FSC quote sheet, and
14. Applicant's original Community Services Statement.

# **Sterling Casualty Insurance Company**

## **Underwriting Manual**

### **Binding Procedure**

Risk can be bound by RMIS no earlier than 12:01 A.M. of the U.S. Post Office postmark date on the envelope containing the application. For fax applications, or eApp, use standard RMIS Personal Lines fax binding and electronic transmittal procedures. Metered mail can be effective no earlier than the day prior to receipt. Neither RMIS nor SCIC will be responsible for envelopes without a postmark or illegible postmarks.

- 1) In order for coverage to be considered bound:
  - a. The application must be fulfilled and concluded using RMIS' policy issuance system via the FSC Rater bridge to our eApp, submitted by fax or regular USPS mail.
  - b. Every question on the application must be answered and explained when required.
  - c. The applicant and the producer must sign the application. All applications must contain the date and time of completion. Producers may not change, strike over, or alter an effective date on any application, renewal request or endorsement. The individual signing the application MUST be the named insured.
- 2) Coverage is not bound until RMIS'/SCIC system supplies a policy number.
- 3) Applications submitted for ineligible risks will be rejected with no coverage bound.

### **Photograph Requirements**

Photographs are required to bind coverage on all vehicles that meet any of the following conditions:

1. All vehicles written for physical damage coverage unless:
  - a. proof of previous physical damage coverage is submitted indicating no lapse in coverage; or
  - b. the vehicle is purchased new and unused from a dealership within seven days of the effective date and a copy of the purchase agreement is provided; or
  - c. the vehicle is purchased used from a dealership and a completed "Dealer Inspection Statement" is received
2. All pickups and vans written with physical damage coverage. An additional photograph showing the interior through the rear door is required on vans only;
3. All salvaged vehicles;
4. All vehicles requesting physical damage coverage to be added after policy inception;
5. All vehicles requesting to reduce physical damage deductibles after policy inception.

We require one photograph showing the front and driver's side of the vehicle and another showing the rear and passenger's side, including the license plate.

# **Sterling Casualty Insurance Company**

## **Underwriting Manual**

### **Reinstatements**

A policy that has been cancelled for non-payment of premium or underwriting reasons may be reinstated by submitting the required premium and completion of all required forms. Reinstatement is contingent on the risk being acceptable from an underwriting standpoint and is subject to a \$12.00 reinstatement fee. The reinstatement fee will be \$9.00 for policies in which all listed operators qualify as a statutory 'Good Driver'. Cancellations due to non-payment of premium will be reinstated with lapse. All required information and/or payments must be received within 30 days of the cancellation effective date.

### **Financial Responsibility Certification**

A certificate of insurance is filed to comply with requirements of the automobile financial responsibility law.

SR22/SR1P Filings will be submitted as requested. The fee for each filing is \$30. Filings will be completed only under the following circumstances:

- 1) Must have a permanent California driver's license.
- 2) All vehicles registered to the Named Insured and residents within the household must be insured with Sterling Casualty Insurance Company. If the Named Insured owns an "unacceptable vehicle," the entire risk must be declined.
- 3) Will only issue certification to persons residing in the same household. A filing may also be provided for a dependent of the Named Insured provided that the dependent relies upon the Named Insured for support and he/she does not own their own vehicle.

### **Policy Terms**

Annual and Semi-Annual policy terms are available.

### **Payment Plans**

RMIS/SCIC offers a variety of payment options. Payment plan options are provided on your rating software. Direct Bill options must be gross including all fees. Agency Bill options are pay in full, outside premium financing or 25% gross deposit on annual term and 50% gross deposit for semi-annual term including all fees with balance due in 30 days.

# Sterling Casualty Insurance Company Underwriting Manual

## Fees

All fees are fully earned and non-refundable.

- 1) Policy Fee: **\$50.00**(annually) Drivers who meet the definition of a Good Driver as defined in the California Insurance Code, Section 1861.025, will be charged a Policy Fee of **\$40.00** (annually) The policy fee charged for each Semi-annual term will \$25.00. A Good Driver as defined in CIC 1861.025 will be charged a \$20.00 policy fee for each semi-annual term.
- 2) Installment Fee: **\$15.00**.
- 3) Cancellation Fee: **\$50.00**. This fee is charged when a policy is cancelled due to the insured's request of for non-payment of premium.
- 4) Reinstatement Fee: **\$12.00**. Drivers who meet the definition of a Good Driver as defined in the California Insurance Code, Section 1861.025, will be charged a Reinstatement Fee of **\$9.00**.
- 5) Financial Responsibility (SR) Fee: **\$30.00**.
- 6) NSF Fee: **\$20.00**. This fee is charged when an insured's check or a broker's trust account, check, or EFT is returned by the bank for insufficient funds.

## Driver Classification

- 1) Married means legally married, married but living in separate households, and widowed. This includes Registered Domestic Partners. Unmarried includes single, separated, or divorced, and Domestic Partner. We will require proof of marriage if the spouses' names are different. Prof should include either a copy of the marriage certificate, the most recent tax returns or a completed Declaration of Marriage.
- 2) The highest rated driver will be rated with the highest rated vehicle.
- 3) If there are more vehicles than drivers, rate the additional vehicle as an Excess Vehicle with zero driving record points. Any surcharges assigned due to the type of vehicle would still apply to any excess vehicle.

# Sterling Casualty Insurance Company Underwriting Manual

## Limits

- 1) Liability (000's) -- \$15/30/5 and \$15/30/10
- 2) Excess Medical (Medical Payments) -- \$500 or \$1,000
- 3) Uninsured Motorist (UM):
  - a. BI -- \$15/30 (000's)
  - b. PD -- \$3,500 -- Cannot be written without UMBI or with Collision coverage.
  - c. PD -- Collision Deductible Waiver (CDW) -- For amount of Collision deductible -- cannot be written without UMBI and Collision coverage.
  - d. UMPD -- (\$3,500 or CDW) can be waived if the applicant elects to have UM/BI.
- 4) **Named Non-Owner** coverage is offered on casualty coverage only. The limits and rates are identical to policies insuring an owned vehicle. Only one person may be listed on the policy. UM/PD, Physical Damage, and MPP are not available.
- 5) The maximum insurable value for physical damage coverage is \$40,000 per vehicle and/or ISO symbol 45 (symbol 21 for vehicles years 1990 through 2010 and symbol 18 for model years prior to 1990). The maximum insurable value does not apply to applicants who qualify as Proposition 103 Good Drivers.
- 6) Liability limits and coverage (BI, PD, Med Pay and UM), must be the same for all vehicles insured by Sterling Casualty on behalf of the Named Insured.
- 7) If the insured elects to not carry UM coverage, a waiver of UM coverage must be completed and signed by the insured. The insured may elect to waive Uninsured Motorist Property Damage but keep Uninsured Motorist Bodily Injury coverage.
- 8) All household residents age 14 and older must be disclosed and excluded from coverage if not listed as a driver or included on the policy. In the event that any household resident 15 years of age or older is not to be covered by the policy, a Named Driver Exclusion form must be completed and signed by the Named Insured. The full name and age of each excluded driver must be indicated.
- 9) Physical Damage Deductibles:  
\$250, \$500, \$1,000 Physical Damage can not be written without Liability Coverage

# Sterling Casualty Insurance Company Underwriting Manual

## Endorsements

- 1) The policy **will not** be re-rated for point charges which expire during the policy period following the original inception date of the policy.
- 2) All policy changes must be submitted immediately upon notification of change.
- 3) RMIS/SCIC must receive proper notice within 30 days of the acquisition of all newly acquired automobiles. This also applies to listed vehicles that are no longer owned by anyone listed on the policy. If received beyond the 30th day from the date of acquisition, the endorsement will be effective the day received by RMIS/SCIC.
- 4) All endorsements will be computed on a pro-rata basis using the rates and rules in force at the inception date of the policy.
- 5) Policy changes may be completed through the RMIS website at [www.rmismga.com](http://www.rmismga.com) or faxed to (714) 992-2094. Suspension of coverage is not permitted.

## Renewals

The company will mail a renewal offer to the insured at least 20 days prior to the policy's expiration date. The offer to renew will be mailed directly to the policyholder for direct bill and to both the broker and insured on agency bill.

## Cancellations

### **No flat cancellations are permitted**

1. Policies canceled by notice of company election for substantial increase in hazard will be canceled using a pro-rata factor and will not be subject to reinstatement. Policies canceled for non-payment of premium will be canceled using a pro-rata factor and charged the cancellation fee. Non-payment cancellations will only be subject to reinstatement (with a lapse) if premium payment (including the Reinstatement Fee) is received within 30 days of the cancellation date.
2. "Insured's request" cancellations will be processed using a pro-rata factor plus the cancellation fee and will only be processed under the following conditions:
  - a. The policy is returned along with a signed statement from the named insured requesting cancellation; or
  - b. A signed statement from the Named Insured is submitted, requesting cancellation
3. The effective date of cancellation for "insured's request" shall be the date requested by the Named Insured. Use of the insured's requested cancellation date is contingent upon Sterling Casualty Insurance Company receiving the cancellation request within 10 days after the requested cancellation effective date.
4. A copy of the replacement policy must accompany a request for cancellation due to duplicate coverage. Cancellation for duplicate coverage will be considered a cancellation at the insured's request.

# Sterling Casualty Insurance Company Underwriting Manual

## Unacceptable Risks

### Vehicle Operators:

- A) Unlicensed drivers (including a learner's permit). An additional driver with a learners permit will be acceptable provided that they are not the Named Insured as listed on the Declarations page.
- B) Not residing in the State of California -- except military personnel who garage their vehicle in California.
- C) Both husband and wife must qualify; a spouse cannot be excluded unless including the spouse prevents the applicant from obtaining a Good Driver discount (as defined in California Code of Regulations 2632.12).
- D) Mentally impaired persons: Individuals who are mentally impaired, but otherwise meet eligibility requirements will be acceptable for coverage. A Physician's Statement that certifies that their condition does not impair their ability to safely operate a motor vehicle, is required.
- E) High profile celebrities, entertainers, athletes, or any professional individual who is nationally well know to a large segment of the population.
- F) Suffering from Epilepsy or any physical condition that result in blackouts or seizures.
- G) Any Felony or Penal code convictions in the last 3 years, including Insurance Fraud (except Penal Code section 19, 853.7 and 12141 for Failure to Appear).
- H) Narcotics or drug conviction in the last 3 years.
- I) Over the age of 80.
- J) Over the age of 70, with two at at-fault losses.
- K) Minor Convictions:
  - 1. Six or more in the last 3 years.
  - 2. Four or more in the last 18 months.
- L) Major Convictions:
  - 1. Three or more in the last 3 years.
  - 2. More than one in the last 24 months.
- M) Accidents:
  - 1. Three or more in the last 3 years.
  - 2. Two or more in the last 24 months.
- N) More than 2 accidents and majors combined.
- O) Licensed less than 5 years with more than 3 Sterling Casualty points.
- P) Has an unpaid balance due, unless the balance due is submitted in addition to the correct down payment for the new policy.

The above restrictions do not apply to applicants who qualify as "Proposition 103 Good Drivers".



# Sterling Casualty Insurance Company Underwriting Manual

## Unacceptable Risks

### Vehicles:

- A) Used or designed for commercial purposes.
- B) Used for racing.
- C) Used for purpose of emergency services.
- D) Used as a taxicab, delivery vehicle, bus and/or for transporting passengers of any type.
- E) Used in conducting services such as messenger, courier, process servers, delivery, etc.
- F) Used for transportation of school children or in conjunction with a business that provides services for babysitting, daycare, nursery school, or school children transport.
- G) Used for driver training or any form of driving instruction.
- H) Equipped with snowplowing equipment.
- I) That are rented to others
- J) \* That are antique, classic, custom, electric, exotic, kit, limited edition (low production), replica, show, substantially altered and/or modified structurally or mechanically.
- K) \* Not in safe mechanical condition or with unrepaired damage. Vehicles with unrepaired damage are acceptable for liability only coverage as long as the damage does not affect the safe operation of the vehicle.
- L) Pick-ups or vans in excess of ¾ tons.
- M) Having more or less than 4 wheels.
- N) Garaged outside of California.
- O) Motor homes or vehicles used as a residence.
- P) Vehicles registered as commercial or in a business name.
- Q) \* Grey market cars – defined as those not manufactured for sale in the United States.
- R) \* Vehicles over 15 years old with an ACV of less than \$2,500 (for Physical Damage).
- S) \* Stated Amount or Stated Value Coverage (for Physical Damage).
- T) \* Salvaged Vehicles (for Physical Damage).
- U) Vehicles not registered in California.
- V) \* Vehicles with individuals as the legal owners (loss payee).
- W) \* Vehicles with Saleen Equipment Package.
- X) Vehicles equipped with lift-kits, flat beds, or stake beds.
- Y) Comprehensive coverage without Collision Coverage.

\* Acceptable, provided that the vehicles can be legally driven on the highway AND the applicant is a “Proposition 103 Good Driver”.

Final approval for all risks will be made by Sterling Casualty Insurance Company. If the risk presents a hazard that is not acceptable to our company based on all rating factors, it will be issued with a cancellation notice and will not be subject to reinstatement.

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**Prohibited Vehicles (for any coverage)**

AC BRISTOL	LEXUS FLA DN LS 600h L
ACURA NSX	LIMOUSINES
ALFA ROMEO	LOTUS
ANTIQUES	MASERATI
AUDI R8	MAYBACH
AUSTIN MARTIN	MERCEDES BENZ (Except 190 and C-Series non AMG)
AUSTIN-HEALY MG	MG
AVANTI	MODIFIED VEHILCES
BAJA BUGS	NISSAN GTR
BENTLEY	PANEL TRUCKS
BERTONE	PACKARD
BRADLEY	PANOZ
BRICKLIN	PANTERA
BUGATTI	PININFARINA
CADILLAC LIMO	PLYMOUTH PROWLER
CITROEN	PORSCHE
CLASSIC VEHICLES	RAMBLER
COBRA	RECREATIONAL VEHICLES
CORVETTE	ROLLS ROYCE
CUSTOMIZED VEHICLES	ROVER
DELOREAN	SALEEN
DODGE VIPER	SALEEN CONVERSIONS
DUNE BUGGIES	SUBARU BRAT and SVX
DUSENBERG	SHELBY COBRA
EXCALIBER	SPYKER
FERRARI	SUNBEAM
FIAT (except Fiat 500)	TESLA
FIBERGLASS BODIES	TRIUMPH
FORD GT OR FORD SHELBY GT 500	TRUCKS OVER ¾ TON
HUMMER (Except H3)	TVR
JAGUAR (Except X-Type)	VANS (EXCEPT PRIVATE PASSENGER MINI VANS)
JENSEN HEALY	VW BUS, THING
KOENISGSEGG	YUGO
LAMBORGHINI	
LANCIA	
LAND ROVER (Except Evoque, Freelander, or LR2)	

Prohibited Vehicles will be considered eligible for coverage if the policy qualifies as a California Good Driver policy in accordance with California Insurance Code 1861.025.

# Sterling Casualty Insurance Company Underwriting Manual

## Discounts & Surcharges

**Discounts:** All applicable coverage premiums are reduced when one or more of the following discounts apply. Such reduction is accomplished by applying the proper factors in the rate section that properly reflect adjustment for the various discount combinations.

A) **Multiple Car Discount**

The multiple automobiles discount factor applies to two or more private passenger automobiles when they are insured by Sterling Casualty Insurance Company.

1. The multi-car discount applies to all coverage except Special Equipment and Motorist Protection.
2. All vehicles must be registered to the named insured or listed members of the household and covered in the same policy

B) **Mature Driver Improvement Course Discount**

A Mature Driver discount will be applied to all coverage except Special Equipment and Motorist Protection will be given to insureds age 55 or older who have successfully complete a Mature Driver Improvement course approved by the Department of Motor Vehicles. The discount does not apply, or may be discontinued, if the insured has had a chargeable accident during the three years following the course completion date. The discount also does not apply if the insured took the course pursuant to a court order. The insured's eligibility for the premium reduction is three years from the date of the completion of the course. The course must be taken every three years to continue eligibility for the insurance discount.

A copy of the approved course completion certificate from the sponsoring agency must be attached to the application for qualifying insured's.

C) **Persistency Discount**

A persistency discount will be applied to BI/PD, UM, MP and Physical Damage coverage on renewal policies having at least one continuous year of coverage with Sterling Casualty Insurance Company.

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### D) California Good Driver Discount

A discount of 20% on all coverage's will be given if a driver qualifies as a Good Driver. To qualify as a Good Driver, a driver must:

1. Have been continuously licensed to drive a motor vehicle in any jurisdiction for the previous 3 years. *Any person who claims that he or she meets the criteria of subdivisions (a), (b), and (c) of California Insurance Code 1861.025 based entirely or partially on a driver's license and driving experience acquired anywhere other than the United States or Canada is rebuttably presumed to be qualified to purchase a Good Driver Discount policy if he or she has been licensed to drive in the United States or Canada for at least the previous 18 months and meets the criteria of subdivisions (a), (b), and (c) for that period.*
2. During the previous three years has not:
  - a. Had more than one violation point count as determined by section 12810 of the Vehicle Code. In determining the violation point count, the driver of a motor vehicle involved in an accident which resulted only in damage to property shall receive one violation point, in addition to any other violation points which may be imposed for the accident.
  - b. Had more than one dismissal pursuant to section 1803.5 of the vehicle code.
  - c. Been the driver of a motor vehicle involved in an accident which resulted in the bodily injury or death of any person and was principally at fault.
3. Have not been convicted of a DUI during the previous 10 years.

In order to qualify for the discount, we require proof that no injuries resulted from any accident shown on the application or Motor Vehicle Report.

### D) **Good Student Discount**

A discount will apply to all coverage except MPP if the driver:

1. (a) Is at least 16 years of age and a full-time high school, college, or university student, OR (b) Is 24 years of age or younger and a part-time college or university student completing a minimum of six credit hours per quarter, trimester, or semester, AND
2. Has had no at-fault accidents, or major violations, or more than two minor violations in the past 36 months AND
3. Has maintained a "B" average, or its equivalent. If the letter grading system cannot be averaged, than no grade can be below a "B", OR (b) has maintained a numerical grade average of at least 3.00 in a 4-point grading system.

To qualify, a copy of the grade report MUST accompany the application and be presented at each 12-month renewal thereafter. The grade report must indicate that the student has met the grade requirements during the immediate preceding school semester/trimester/quarter.

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**Surcharges:** All applicable coverage premiums are increased when one or more of the following surcharges apply. Such increase is accomplished by applying the proper factors in the rate section that properly reflect adjustment for the various surcharge combinations. Please see “Vehicle Surcharge Schedule” on page 18.

A) **Business/Artisan Use**

We accept private passenger automobiles and pickup trucks where the vehicle is occasionally used in the course and scope of business. The 20% surcharge will apply to all coverage except Special Equipment and Motorist Protection. Example cases of these types of risks include:

1. a salesperson using his or her vehicle to make sales calls,
2. an employee of a construction firm using his or her truck to carry supplies or materials, and
3. a real estate agent.

If the applicant is self-employed, he must show that he has a commercial vehicle insured on a commercial policy. If the business use surcharge is not applied, a business use exclusion must then be completed.

## Driving Safety Record Rating Plan

### Driver Safety Record Point Schedule

#### Three-Year Driving Record

Minor Convictions (each) -----	1
1st Chargeable Accident Property Damage only -----	1
1st Accident resulting in Bodily Injury or Death-----	2
Any additional accident-----	4
First Major Conviction-----	4
Second Major Conviction-----	6

### Conviction Record Rating

A) **Chargeable Convictions**

A conviction for a moving violation is considered chargeable as of the conviction date of the violation.

**Major Violations are considered to be:**

1. Driving a motor vehicle under the influence of intoxicants or drugs,
2. Reckless driving,
3. Failure to stop and report or identify oneself when involved in a motor vehicle.
4. Operating a motor vehicle without owner’s authority,
5. Racing or engaging in a speed contest,
6. Lending registration or operator’s license to another person,
7. Speeding in excess of 100 MPH.
8. Driving the wrong way on a divided highway,
9. Operating a motor vehicle without a valid operator’s license or during a period of revocation or suspension of motor vehicle registration or operator’s license.

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## **Minor Driving Violations are considered to be:**

1. Traffic law violations for speeding other than in excess of 100 MPH,
2. Stop sign and traffic signal infractions,
3. Improper turns or lane changing
4. Failure to yield right of way,
5. And similar offenses not listed above.

**NOTE --** The word "conviction" includes a guilty plea, Failure to Appear, or forfeiture of bond.

## **B) Conviction Record Experience Period and Surcharge**

**New Business Rating --** The Conviction Record portion of the Driving Safety Surcharge applicable during the initial policy period is based upon the driving record of the operator of the vehicle being insured. A driver's Conviction Record is determined by totaling the number of chargeable convictions, which occurred in the three-year period ending on the effective date of the initial policy period.

**Renewal Rating --** The Conviction Record portion of the Driving Safety Surcharge applicable during the policy period is determined by totaling the number of chargeable convictions for the driver of the vehicle in the prior three-year period.

## **C) Chargeable Accidents**

**New Business rating --** An accident shall be chargeable provided it resulted in death or bodily injury or in damage to any property in the amount of \$1,000 or more.

**Renewal Rating --** An accident shall be chargeable as of the date the Company has recorded payments totaling \$1,000 or more under property damage liability coverage or, in the event of a single car accident, under collision coverage provided by the policy.

**Exceptions --** An accident shall not be considered a chargeable accident if:

- 1) It was caused by contact with birds, animals, missiles, falling objects, or
- 2) The operator involved in the accident was:
  - a) Less than 51% at fault, or
  - b) Lawfully parked, or
  - c) Reimbursed by, or on behalf of, a person responsible for the accident or has judgment against such person, or
  - d) Struck in the rear by another vehicle and has not been convicted of a moving traffic violation in connection with the accident, or
  - e) Hit by a 'hit-and-run' driver, provided the accident is reported to the proper authorities within 24 hours, or
  - f) Not convicted of a moving traffic violation in connection with the accident, but the operator of the other automobile involved in the accident was convicted of a moving traffic violation, or
  - g) Operating a vehicle of the type not covered by this policy during the course of work or business, or

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- h) Responding to a call of duty as a paid or volunteer member of any police, fire department or first aid squad or was performing any other governmental function in a public emergency.

**Note** -- The word 'convicted' includes a plea of no contest or forfeiture of bond (FTA).

**“Penalty of Perjury Accident Statement”** – Sterling Casualty will accept the applicant and/or insured’s declaration under ‘Penalty of Perjury’ that an accident was not at fault. The declaration must state the following:

- 1) That the insured is aware that if they make a declaration that is later proved false, they will be subject to civil and criminal prosecution to the extent allowed by law.
- 2) That they have full knowledge of any and all settlements made on their behalf by an Insurer and that the Insurer determined that they were not the primary cause of the accident.

### D) **Accident Record Experience Period**

**New Business Rating** -- The Accident Record portion of the Driving Safety Record applicable during the initial policy period is based upon the accident record of the operator of the vehicle being insured. A driver’s Accident Record is determined by totaling the number of chargeable accidents, which occurred in the three-year period ending on the effective date of the initial policy period.

**Renewal Rating** -- The Accident Record portion of the Driving Safety Surcharge applicable during the policy period is determined by totaling the number of accidents, which became chargeable during the three-year period ending with the current expiration date.

### E) **Miscellaneous Provisions**

- 1) The Accident Record portion of the Driving Safety Surcharge shall be unaffected by changes requiring a policy transfer or by changes in territory, use or driver classification of the policy.

**Exception** -- If the Company is furnished evidence that the driver involved in a chargeable accident is no longer a resident of the Named Insured’s household, or if the same driver will not be an operator of the insured vehicle for the period during which the accident will be chargeable, the accident shall not be considered in determining the appropriate surcharge. However, if that driver continues to be insured with the Company on another policy, the accident will be considered in the rating of that policy. Underwriting will require a completed Driver Exclusion, if a driver with a chargeable accident will not be rated.

- 2) If a policy is reinstated, the discount applicable at the time of expiration or cancellation will be applied, provided the reinstatement occurs within 30 days and there have been no chargeable accidents during this period.

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- 3) Occurrences with the same Conviction Date but different Violation Dates will be charged as separate occurrences.

**Annual Mileage Verification** – Per CIC 1861.02(a)(2) and 2632.5(c)(2), annual mileage will be based upon the applicant’s estimate for the next twelve months. It should be based on the driver’s usage of the vehicle. Odometer readings are required for each vehicle. If the total estimated mileage provided conflicts with specific information (such as miles driven between home and work relative to odometer readings), the insured may be asked for additional supporting documentation. If the insured does not respond to such an inquiry, Sterling Casualty will use a default annual mileage level of 12,000 to rate the policy. Advanced notice will be provided during the renewal process requesting an updated odometer reading for all insured vehicles for the purpose of adjusting the annual mileage estimate for the new policy period.

### **Physical Damage Rules**

- 1) Use ISO symbols.
- 2) For new vehicles without a symbol assigned, use the latest corresponding model. If no symbol exists, use the ISO value and symbol chart on page 17 to determine the symbol.

### **Deductible Availability**

Different deductible amounts can be combined as seen fit by the applicant and broker. However, the Collision deductible cannot be less than the Comprehensive deductible.

The following chart displays the MINIMUM deductible amounts specific risk types will be allowed to purchase:

Driver Points	250/250	500/500	1,000/1,000
0 - 3 4+	X	X	
Vehicle Class Code 1 Vehicle Class Code 4 Vehicle Class Code 5 4-Wheel Drive 8-Cylinder Turbo Convertible 2-Seater sports car	X	X  X X X X	X



## Sterling Casualty Insurance Company Underwriting Manual

### Comprehensive and Collision Symbol Rating

**Vehicle Symbols:** Sterling Casualty bases its premium for private passenger physical damage coverage on ISO Symbols. To determine symbols for pickups and vans not listed in the ISO Symbol Manual, apply the retail list price to the tables below. Include the price of optional equipment such as automatic transmission, radio, and power steering. For imported vehicles or vehicles not listed in the manual, use the cost new to the retail purchaser.

The company will only accept up to \$40,000 in value of the vehicle or Symbol 21 for model years 1990 through 2010 and Symbol 45 for model years 2011 and later. Good Drivers as defined by Section 1861.025 of the California Insurance Code are exempted from this rule.

<b>1989 &amp; Prior Model Years</b>	
<b>Original Cost New</b>	<b>ISO Symbol</b>
0 - \$5,000	5
\$5,001 - \$6,500	6
\$6,501 - \$8,000	7
\$8,001 - \$10,000	8
\$10,001 - \$12,500	10
\$12,501 - \$15,000	11
\$15,001 - \$17,500	12
\$17,501 - \$20,000	13
\$20,001 - \$24,000	14
\$24,001 - \$28,000	15
\$28,001 - \$33,000	16
\$33,001 - \$39,000	17
\$39,001 - \$46,000	18
\$46,001 - \$50,000	19

<b>1990 - 2010 Model Years</b>	
<b>Original Cost New</b>	<b>ISO Symbol</b>
0 - \$6,500	1
\$6,501 - \$8,000	2
\$8,001 - \$9,000	3
\$9,001 - \$10,000	4
\$10,001 - \$11,250	5
\$11,251 - \$12,500	6
\$12,501 - \$13,750	7
\$13,751 - \$15,000	8
\$15,001 - \$16,250	10
\$16,251 - \$17,500	11
\$17,501 - \$18,750	12
\$18,751 - \$20,000	13
\$20,001 - \$22,000	14
\$22,001 - \$24,000	15
\$24,001 - \$26,000	16
\$26,001 - \$28,000	17
\$28,001 - \$30,000	18
\$30,001 - \$33,000	19
\$33,001 - \$36,000	20
\$36,001 - \$40,000	21
\$40,001 - \$45,000	22
\$45,001 - \$50,000	23
\$50,001 - \$60,000	24
\$60,001 - \$70,000	25
\$70,001 - \$80,000	26
\$80,001 & Up	27

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2011 & Later Model Years

Original Cost New	ISO Symbol		Original Cost New	ISO Symbol
\$1 - \$3,000	1		\$31,001 - \$32,000	37
\$3,001 - \$5,500	2		\$32,001 - \$33,000	38
\$5,501 - \$8,000	3		\$33,001 - \$34,000	39
\$8,001 - \$9,000	4		\$34,001 - \$35,000	40
\$9,001 - \$10,000	5		\$35,001 - \$36,000	41
\$10,001 - \$11,000	6		\$36,001 - \$37,000	42
\$11,001 - \$12,000	7		\$37,001 - \$38,000	43
\$12,001 - \$13,000	8		\$38,001 - \$39,000	44
\$13,001 - \$14,000	10		\$39,001 - \$40,000	45
\$14,001 - \$15,000	11		\$40,001 - \$41,250	46
\$15,001 - \$15,625	12		\$41,251 - \$42,500	47
\$15,626 - \$16,250	13		\$42,501 - \$43,750	48
\$16,251 - \$16,875	14		\$43,751 - \$45,000	49
\$16,876 - \$17,500	15		\$45,001 - \$46,250	50
\$17,501 - \$18,125	16		\$46,251 - \$47,500	51
\$18,126 - \$18,750	17		\$47,501 - \$48,750	52
\$18,751 - \$19,375	18		\$48,751 - \$50,000	53
\$19,376 - \$20,000	19		\$50,001 - \$52,500	54
\$20,001 - \$20,625	20		\$52,501 - \$55,000	55
\$20,626 - \$21,250	21		\$55,001 - \$57,500	56
\$21,251 - \$21,875	22		\$57,501 - \$60,000	57
\$21,876 - \$22,500	23		\$60,001 - \$65,000	58
\$22,501 - \$23,125	24		\$65,001 - \$70,000	59
\$23,126 - \$23,750	25		\$70,001 - \$75,000	60
\$23,751 - \$24,375	26		\$75,001 - \$80,000	61
\$24,376 - \$25,000	27		\$80,001 - \$85,000	62
\$25,001 - \$25,625	28		\$85,001 - \$90,000	63
\$25,626 - \$26,250	29		\$90,001 - \$95,000	64
\$26,251 - \$26,875	30		\$95,001 - \$100,000	65
\$26,876 - \$27,500	31		\$100,001 - \$110,000	66
\$27,501 - \$28,125	32		\$110,001 - \$120,000	67
\$28,126 - \$28,750	33		\$120,001 - \$130,000	68
\$28,751 - \$29,375	34		\$130,001 - \$140,000	69
\$29,376 - \$30,000	35		\$140,001 - \$150,000	70
\$30,001 - \$31,000	36			

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**Model Year:** Comprehensive and Collision coverage rates are also determined using the year in which the vehicle was manufactured. Vehicles manufactured after October 1<sup>st</sup> are designated with the subsequent model year.

For model year factors not provided, multiply the latest model year factor by 1.05.

### Vehicle Surcharge Schedule

All **Sport Utility Vehicles (SUV)** and **Sport Utility Trucks (SUT)** will have a 12% surcharge applied to Bodily Injury/Property Damage liability coverage, Uninsured Motorist Bodily Injury coverage, Uninsured Motorist Property Damage coverage, and Collision Deductible Waiver coverage.

#### The following surcharges apply only to physical damage coverage

	<u>VEHICLE</u>	<u>SURCHARGE</u>
1)	Four (4) wheel drive vehicles, except all-wheel drive private passenger vehicles (Minimum \$500 Deductible)	17%
2)	8-cylinder turbo-charged vehicles (Minimum \$500 Deductible)	17%
3)	Convertibles (including utility vehicles) (Minimum \$500 Deductible)	17%
4)	Vehicle Class Code "1"	17%
5)	Vehicle Class Code "4" (Minimum \$500 Deductible)	17%
6)	Vehicle Class Code "5" (Minimum \$1,000 Deductible)	17%
7)	Any 2-seater vehicle (not otherwise listed) (Minimum \$500 Deductible)	17%
8)	Any 2-wheel drive Pickup or SUV with drivers under 25 or licensed less than 9 years.	17%
9)	All vehicles H, S, I, P with model year 1994 and newer.	40%

**NOTE:** Apply only one Physical Damage surcharge per vehicle.

#### Vehicle Class

<u>Code</u>	<u>Deductible</u>	<u>Surcharge</u>
1	250/250 DEDUCTIBLE	17%
4	500/500 DEDUCTIBLE	17%
5	1,000/1,000 DEDUCTIBLE	17%

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**Surcharged Vehicle List**

<b><u>Make</u></b>	<b><u>Class Code</u></b>	<b><u>Model</u></b>
Acura	Class 1 Class 4	Integra, CL, RSX,TSX, RDX Legend, RL, MDX, SLX
Alfa Romeo	Class 4	All Models
AMC	Class 1	Javelins
Audi	Class 4 Class 5	All Models except S8 S8
BMW	Class 4 Class 5	3-Series 5-Series and higher
Buick	Class 4	Reatta
Cadillac	Class 1	All Models
Chevrolet	Class 4 Class 5	8-cylinder Camaro, Berretta GT, GTZ Camaro Iroc-Z, Z-28
Chrysler	Class 4	Laser, Crossfire
Datsun/Nissan	Class 4	All Z/ZX Series, 200SX, Pulsar, NX, 240SX
Dodge	Class 4 Class 5	Daytona, Magnum, Charger RT Stealth
Eagle	Class 4	Talon
Ford	Class 1 Class 4 Class 5	Escort GT 8-cylinder Mustang, Probe, EXP, Taurus SHO, Contour SVT Mustang GT/Cobra/Cobra GT
Geo	Class 4	Tracker, Storm

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**Surcharged Vehicle List (cont.)**

<b><u>Make</u></b>	<b><u>Class Code</u></b>	<b><u>Model</u></b>
Honda	Class 1	CRX, CRX SI
	Class 4	S2000
Hummer	Class 4	H3
Hyundai	Class 4	Tiburon
Isuzu	Class 4	Impulse, Amigo
Infiniti	Class 4	All Models
Jaguar	Class 4	X-Type ( <b>All others prohibited</b> )
Jeep	Class 1	Liberty
	Class 4	All Other Models, <b><u>except 2wd Pick-ups</u></b>
Lexus	Class 4	All Models
Lincoln	Class 4	All Models
Mazda	Class 4	RX (series), Miata
Mercedes	Class 5	190 and C-Series ( <b>All others prohibited</b> )
Mercury	Class 4	Cougar XR-7, 8-cylinder, Capri, Merkur XR4TI, 8-cylinder LN7
Mitsubishi	Class 4	Starion, Montero, Eclipse,
	Class 5	3000 GT, Eclipse Spyder
Nissan	Class 4	All Z/ZX Series, 200SX, Pulsar, 240S, NX
Peugot	Class 4	All Models
Plymouth	Class 1	Duster, Roadrunner,
	Class 4	Barracuda, Conquest

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**Surcharged Vehicle List (cont.)**

<b><u>Make</u></b>	<b><u>Class Code</u></b>	<b><u>Model</u></b>
Pontiac	Class 1	Bonneville SSE and SSEI,
	Class 4	Gran Prix GT and GTP Super Trans-Am, Fiero, 8 cylinder Firebird, Formula, GTO
Saab	Class 4	All 900 and 9000 Series
Sterling	Class 5	All Models
Suzuki	Class 4	Samurai, Sidekick, X-90
Toyota	Class 1	Celica GTS, Supra, MR2
Volvo	Class 4	All Models
VW	Class 1	Scirocco
	Class 4	Corrado, Jetta, Passat AWD
	Class 5	GTI

All vehicles with a current value in excess of \$40,000 are considered a class code 5 vehicle.

All convertibles are a minimum class 4 vehicle unless designated as a class 5 vehicle or unacceptable.

Unless specifically classified in the list above, all prohibited vehicles are to be rated using Class 5 if the vehicle is being insured by a California Good Driver, per California Insurance Code Section 1861.025.

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## Special Equipment - Maximum Value \$1,000 per Item

Premium is 12.5% of value (10% for Good Drivers as defined by the California Insurance Code, Section 1861.025) subject to verifiable receipts and photos with submission. Special equipment items include, but are not limited to the following:

FM/HD/SATELLITE RADIO	CB RADIO
SATELLITE TELEVISION	EQUALIZER
SPOILERS	PHONE (PERMANENTLY INSTALLED)
BIKE/SKI RACK	WHEELS – MAG, CHROME, WIRE, SPECIAL WHEELS
SPECIAL INSTRUMENTATION	SPECIAL OR CUSTOMIZED PAINT
GPS NAVIGATION DEVICE	CAMPER SHELLS
SPEAKERS	STEREO (ALPINE/BLAUPUNKT, BRECKER even if factory installed)
AMPLIFIERS	
CASSETTE PLAYERS	
DVD PLAYERS	

Special equipment means any work done on (such as special paint) or devices added to the vehicle after leaving the factory in which it was built. Dealer added equipment or work is also considered special equipment. Special equipment is not covered unless declared on the application. If purchased and installed subsequent to application or if vehicle is replaced, special equipment is not covered unless declared at the time of purchase or vehicle replacement.

Limits:

- 1) Per item value is \$1,000,
- 2) Total special equipment value is \$5,000,
- 3) Handicapped conversion equipment value is \$5,000.

## Motorist Protection Coverage

This is an **optional** coverage endorsement that may be added to the policy for an additional annual charge per policy of \$120 (not per vehicle).

### Coverages Provided:

- a) Personal effects due to fire or theft
- b) Bail bond premium
- c) Emergency transportation
- d) Towing and emergency road service
- e) Accidental Death Indemnity
- f) Reimbursement for loss of use
- g) Legal expense reimbursement
- h) Vacation protection

### Limits:

- |                                  |
|----------------------------------|
| \$400                            |
| \$400                            |
| \$150                            |
| \$70                             |
| \$4,000                          |
| \$25 per day not to exceed \$500 |
| \$500                            |
| \$20 per day not to exceed \$240 |